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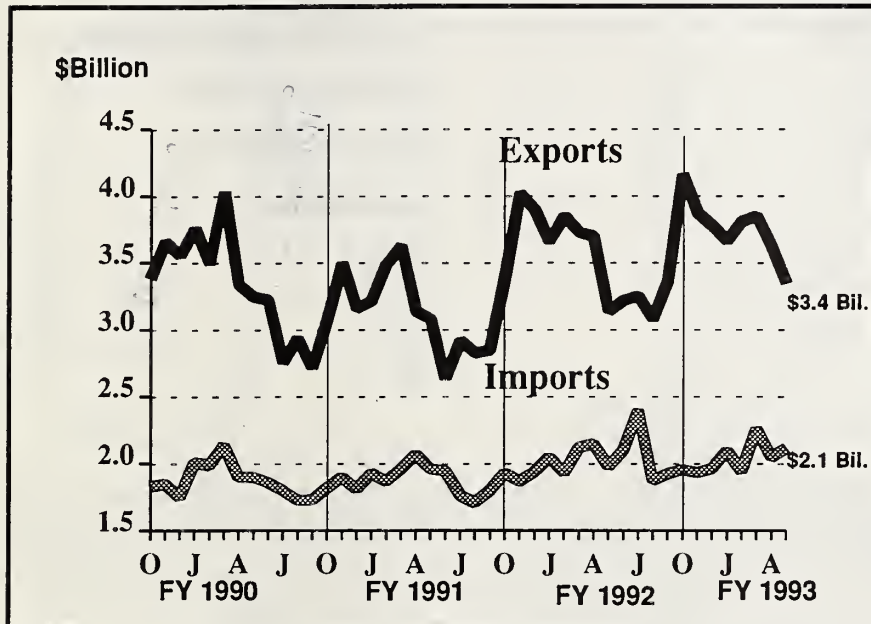
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AGRICULTURAL TRADE HIGHLIGHTS

May Exports Rise 7 Percent

Sales Gains Led by Wheat, Soybeans, and Consumer Foods



May trade statistics released on July 16 by the Commerce Department placed the value of U.S. agricultural exports at \$3.4 billion, up 7 percent from the same month last year but down 7 percent from April's level. Compared to year ago levels, higher shipments of wheat, soybeans, soybean oil and high-value consumer foods more than offset declines in coarse grains, rice, cotton, and tobacco.

May's shipments bring U.S. exports during the first 8 months of fiscal 1993 to \$30.1 billion, up 2 percent from the same period last year. Exports of consumer-oriented foods continue to outpace levels during the previous year, while exports of intermediate and bulk products remain unchanged.

At \$1.3 billion in May, U.S. exports of bulk commodities were up 6 percent from the same month last year. Double digit increases in shipments of wheat and soybeans offset sharp decreases in rice, cotton and tobacco. May's performance brought bulk ex-

ports for the first 8 months of fiscal 1993 to \$14.1 billion, unchanged from the same period in fiscal 1992.

U.S. exports of intermediate products reached \$716 million in May, off 2 percent from shipments during the previous May. Increased exports of wheat flour, soybean oil and planting seeds were offset by declines in vegetable oils other than soybean oil, live animals, animal fats, and sugar, sweeteners and beverage bases. May's performance brought intermediate product exports for the first 8 months of fiscal 1993 to \$6.3 billion which, like bulk commodities, was unchanged from the same period in fiscal 1992.

U.S. exports of high-value consumer food products continued its double digit rate of growth. Shipments reached \$1.3 billion in May, a 13 percent increase over the same month last year. Exports rose in all categories but double digit increases were registered in exports of fresh vegetables, red meat, poultry meats, dairy products, pet foods, snack foods and tree nuts.

May's performance brought consumer food exports for the first 8 months of fiscal 1993 to \$9.7 billion, up \$698 million from the same period in fiscal 1992. Fiscal 1993 export of high-value consumer food products now seem well on its way to registering its seventh record in as many years.

Overall, export performance was up in 6 of the top 10 U.S. agricultural markets in May compared with the same month last year. There were double digit increases in shipments to Canada, the Former Soviet Union, South Korea and Hong Kong while sales to Egypt rose by 109 percent. Shipments increased to Japan by 5 percent, reversing last month's decline. Sales declined to the EC, Mexico, Taiwan and the Philippines.

May agricultural imports reached \$2.1 billion, up 7 percent from a year ago. Sharply higher imports of tobacco products, and fruits and vegetables account for more than four-fifths of the gain. This brings imports for the first 8 months of fiscal 1993 to \$16.7 billion. The fiscal year-to-date agricultural trade surplus now totals \$13.4 billion, roughly unchanged from the same 8-month period last year.

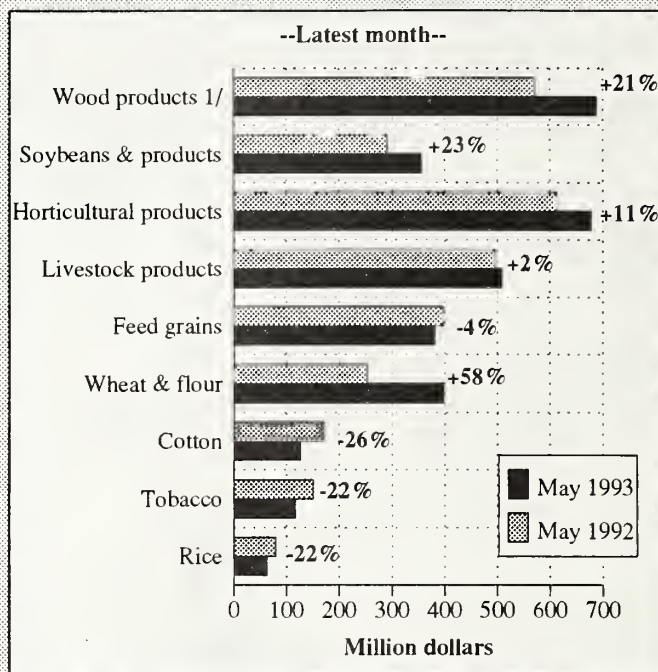
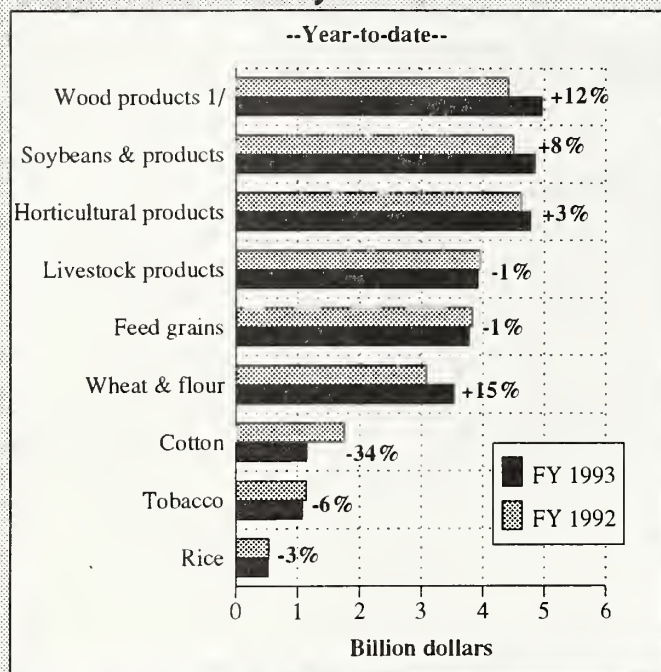
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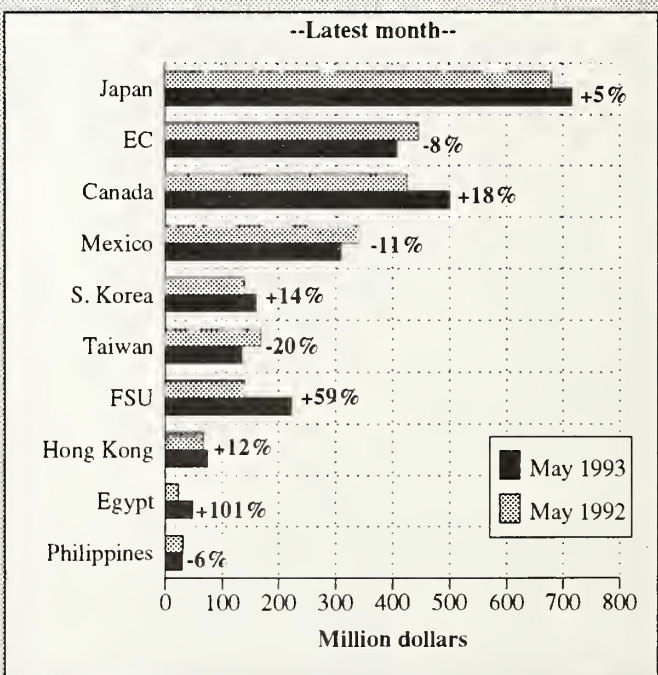
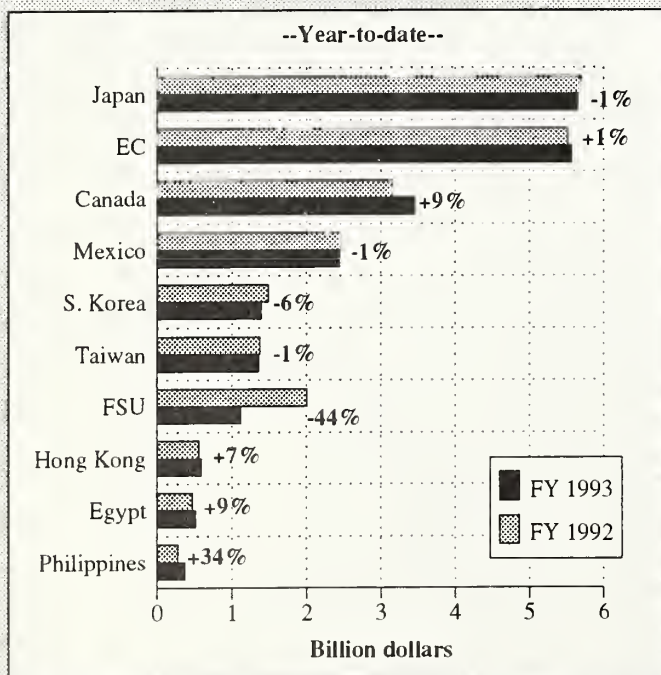
U.S. Agricultural Export Summaries

October-May and Latest Month Comparisons

Product Summary



Top Ten Markets Summary



Note: Percentages are computed as the change from a year ago.
1/ Not included in agricultural totals.

Consumer Food Highlights

This month, Agricultural Trade Highlights introduces "Consumer Food Highlights," as part of an ongoing commitment to provide information on foreign market opportunities for U.S. consumer foods. Key developments in nine product groups will be summarized. This new section replaces "Commodity Highlights," which covered a broader set of agricultural product groups.

Since 1986, the value of consumer food exports rose on average 17 percent each year and now accounts for one-third of total U.S. agricultural exports, up from only 12 percent in 1980. After reaching a record \$14 billion in 1992, a new record is expected this year. Exports were up 6 percent during the first five months of 1993. Red meats continue as the largest sales group, with processed fruits and vegetables and fresh fruits the next largest. Canada and Japan account for roughly half of total U.S. consumer food exports. The EC, Mexico, the 'Four Tigers of Asia' and the Caribbean Islands are also major markets.

In May, exports of *chilled/frozen red meats* rose 10 percent from year-earlier levels to \$281 million on a 2-percent volume decline. Sales gains were greatest for beef variety meats and boneless beef and veal cuts. Year-to-date exports reached \$1.2 billion in 1993, down 3 percent from the pace set in 1992. Sales to Japan were ahead \$58 million due to a 10-percent reduction in tariffs instituted in April. By contrast, exports to Mexico were down \$54 million, in part due to new 20-25 percent tariffs on beef. Similarly, sales were down 45 percent to South Korea compared with last year's level due to fewer government tenders for beef.

Exports of *processed fruits and vegetables* rose 6 percent in May from year-earlier levels to \$135 million. During the first five months of 1993, the record-setting pace of sales to Canada boosted exports to \$642 million or 5 percent higher than the same period last year. Exports of processed vegetables make up 62 percent of the total, and are running 6 percent ahead of 1992 levels. Within this category, canned vegetable sales were up 11 percent at \$226 million. Frozen french fries and canned corn recorded the largest gains, with sales increases greatest in East Asia.

In May, *fresh fruit* shipments were virtually unchanged at \$179 million when compared with the same month last year. Year-to-date sales now total \$642 million, or 9 percent less than the same period last year. The combination of a stronger dollar, recession, and large domestic EC apple supplies led to lower U.S. apple shipments to the EC. Apple exports are one-sixth of total U.S. fruit shipments. Countering the decline in apple sales has been the popularity of U.S. grapefruit, especially in France. A late Florida harvest accounts for higher shipments in May.

With double-digit sales gains in a variety of products, U.S. *snack food* exports jumped 14 percent to \$68 million in May compared with the same month a year earlier. This raises the year-to-date total to \$380 million, up 25 percent from last year and clearly headed for a new record high. Continued brisk sales of salty snacks, led by potato chips, accounted for most of the gain in May with 1993 sales now totaling \$100 million, up 25 percent from last year. Other products which are posting strong gains in 1993 include bakery foods, such as cookies and pastries (up 19 percent to \$106 million), and chocolate products (up 27 percent to \$85 million).

In May, *pet food* exports rose 40 percent to \$37 million when compared with year-earlier levels. On a percentage basis, pet food sales are leading all other consumer food groups in growth. With a year-to-date total of \$193 million, pet food shipments are 27 percent ahead of last year's record-setting pace. The high growth in pet food sales continues a trend of the last several years, and is widespread in nearly all regional markets. Despite recessions in the EC and Japan, overseas shipments continue to boom.

Breakfast food exports surpassed year-earlier levels, rising 8 percent to \$16.9 million in May. At \$105 million, year-to-date exports outpaced 1992

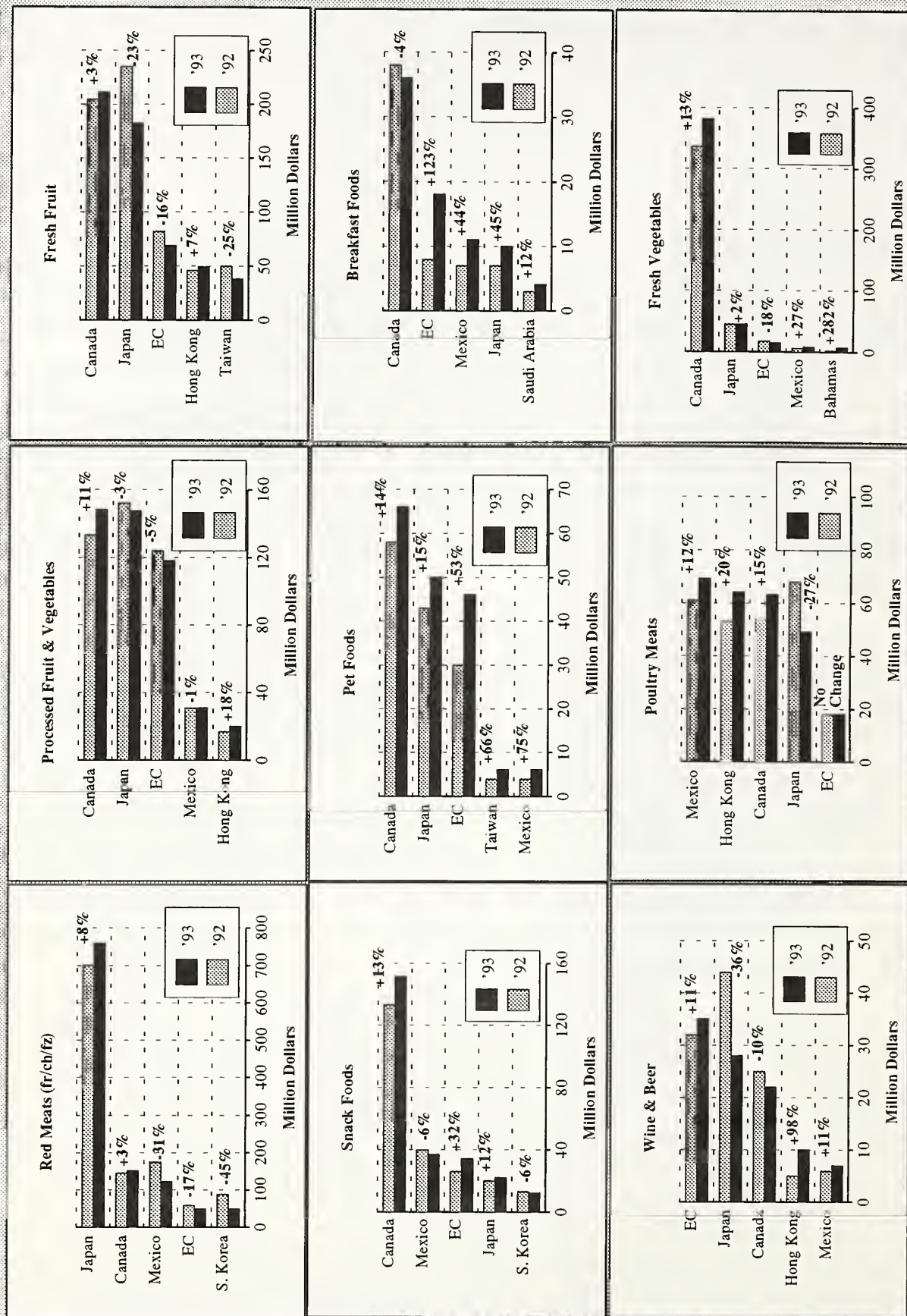
levels by 25 percent, making a new sales record likely for 1993. Although sales to Canada, the leading market, were down slightly to \$36 million, sales to all other major destinations were up. Increased sales to the EC, which were 123 percent higher than year-earlier levels, were directly attributed to large increases in shipments to the United Kingdom and France. The Mexican and Japanese markets also showed strong growth; each were up \$3 million.

Exports of *wine and beer* rose 8 percent in May to \$41 million. During the first five months of 1993, shipments remained unchanged from the previous year at \$147 million. Sales gains to Hong Kong, the EC and Mexico were offset by declines to Japan and Canada. Beer exports, which currently make up 53 percent of total group sales, are running 3 percent behind previous year levels while wine shipments are running 3 percent above.

Poultry meat exports were up 26 percent to \$91 million in May, with frozen chicken cuts accounting for most of the gain. Shipments were up 12 percent to \$391 million so far this year. Sales gains were broad-based, led by raw chicken cuts (up 12 percent to \$227 million), prepared poultry meats like franks, nuggets and entrees (up 27 percent to \$53 million) and frozen turkey meat (up 15 percent to \$39 million). Although established markets like Canada and Hong Kong remain strong, U.S. exports continue to diversify, with emerging markets in Eastern Europe and China becoming more important.

In May, *fresh vegetable* exports rose 34 percent to \$120 million from year-earlier levels. Exports were up 11 percent to \$478 million for the first five months of 1993, putting 1993 sales on the path to a new record. So far in 1993, sales growth was most noticeable for lettuce, celery, and onions. Canada, the largest market by a wide margin, led all others with sales rising 13 percent to \$381 million. The Bahamas, which has been a very small market for U.S. exporters in the past, is now the fifth largest market for U.S. fresh vegetables with almost \$7 million in sales during the first five months of 1993.

Top Five Markets for Selected U.S. Consumer Foods January through May Comparisons



Note: Percentages represent the change from 1992 to 1993.

Country Spotlight: Venezuela



At \$439 million in CY 1992, U.S. agricultural exports to Venezuela are making a strong comeback along a broad product front, led by surging sales of bulk commodities. This 38 percent gain since 1991 is due to the strong performance of the country's economy that has spurred its domestic poultry and livestock industries, as well as trade reform. Venezuela's economy grew at record rates for Latin America two years in a row (1990 and 1991). The Government recently reduced its maximum tariff rate to 20 percent, and feed ingredient import restrictions were eliminated in early 1992. Import licensing was also abandoned for most consumer-ready foods.

These developments made U.S. products more competitive, and secured Venezuela's position as the U.S.' third largest agricultural market in the Western Hemisphere, and one of the most promising ones.

Each category of agricultural exports to Venezuela -- bulk, intermediate (semi-processed) and consumer-oriented foods -- experienced double-digit growth in 1992. Bulk commodities were up by 69 percent in 1992,

and the pace of sales from January to April 1993 indicates even stronger gains this year. Intermediate products grew by 18 percent, due almost entirely to the sharp rise of soybean meal which benefited from the elimination of domestic product purchase quotas. Once tariffs on imported processed foods were dropped, pent-up demand was transformed into broad-based gains for U.S. grocery items, which rose 29 percent in 1992. Thus, U.S. exports have captured a rising share of the Venezuelan consumer-ready food import market; they gained 11 points to 18 percent overall.

Competitive Feed Ingredients

Bulk commodities and intermediate products from the U.S. enjoyed a rebound, rising to \$198 and \$169 million, respectively, in CY 1992. The U.S. historically has been the top supplier (with a 65 percent share) of Venezuela's bulk commodity markets, especially for corn, wheat, soybeans and peanuts. Shipments of U.S. wheat were up 95 percent to \$81 million, due to the absence of Canadian and Argentine wheat in the market. The U.S. has also dominated Venezuela's imports of soybean meal, with shipments of \$104 million in 1992. Venezuela is a natural market for U.S. grain and soybeans since it is located only six days by sea from U.S. Gulf ports.

Venezuela's purchases of bulk commodities expanded dramatically because consumers' aggregate demand for meat grew in line with its economic growth. To meet this demand, Venezuela expanded its livestock and poultry production, which increased

feed requirements, i.e. corn and soybean meal.

Venezuela has limited ability to crush soybeans, so it imports more than 90 percent of its consumption requirements from the U.S. In fact, Venezuela re-exports a portion of its domestically produced soybean meal to Columbia, which further stimulates U.S. exports of oilseeds and soybean meal to Venezuela.

U.S. Government programs have had a significant impact on bulk and intermediate commodity sales to Venezuela. For example, in 1992, approximately \$42 million of a total of \$81 million in wheat shipments were sold under GSM credit guarantee programs. GSM credits also helped move \$24 million dollars worth of soybean meal, or 25 percent of total sales. U.S. co-operators' efforts to support their market in Venezuela by supplying technical assistance to producers and feed mills are also a factor in the recent strong performance of U.S. exports.

Consumer-Ready Foods Rise

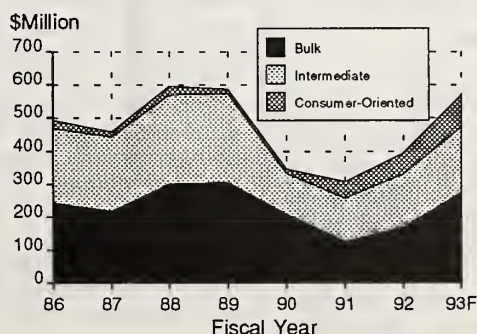
U.S. sales of consumer-ready, high-value foods surpassed \$72 million in 1992, up from \$56 million in 1991 and just \$9 million as recently as 1989. The largest component of U.S. consumer-ready exports was fresh fruit, sales of which reached \$18 million. Other important items included processed fruits and vegetables (\$8.9 million), snack foods (\$6.2 million), eggs and products (\$5.9 million) and tree nuts (\$5.7 million). Snack foods and tree nuts climbed to their highest export levels ever.

For the first four months of 1993, the pace of U.S. consumer food sales expanded by 64 percent compared with levels a year earlier. The largest gains were in fresh and frozen red meats, poultry meat and dairy products.

Competition in Grocery Items

U.S. consumer-ready foods face competition from both Venezuelan producers for similar or like products, and third-country competition from European and South American firms. The U.S.' biggest threat comes from the EC-12; it supplied more than 40 percent of Venezuela's import needs in 1990; New Zealand supplied more

Bulk Commodities Spur Rebound in Exports to Venezuela



The Political and Economic Outlook

Despite the enviable record of more than 10 percent economic growth in 1991 and 7 percent in 1992, the political and economic outlook for 1993 appears less positive. President Perez was suspended from his duties in May, 1993, and interim President Velasquez faces a more stagnant economy this year, with significant public dissatisfaction towards the pace of reforms. However, Presidential elections scheduled for December offer a chance for building consensus. Moderate growth is expected to resume next year.

Venezuela's trade record has generally been positive. Venezuela is attempting to integrate itself more closely into regional trade groupings. Its tariff schedule was revised recently with stepped-up reductions in top import duty levels. Yet quantitative restrictions remain for feed grains, soybeans, soymeal and poultry and pork products. In April 1991, Venezuela signed a framework agreement with the U.S. in the context of the Enterprise for the Americas Initiative.

than 21 percent; and the U.S. ranked third with almost 18 percent. Although nearby Chile is a major fresh fruit exporter, the U.S. doesn't compete directly with Chile in the Venezuelan market because of reverse marketing seasons.

Although Venezuela's food processing industry is undergoing development, it has achieved notable strengths. For example, Venezuela has a snack food industry making both salted and sweet snacks that compete with U.S. products. One fairly large meat processor and smaller companies produce hams and cold cuts that may be seen by consumers as substitutes for U.S. processed meats. In addition, processed fruits and vegetables and salad dressings appear on shelves with local names and as locally-made U.S. brands such as Heinz, French, and Kraft.

U.S. companies are encouraged to explore growing export opportunities in the frozen vegetable market. In 1990, only canned vegetables were on the market, but today Venezuela is witnessing fast development of its frozen foods industry, including vegetables. This is occurring at the expense of the canners. However, as of 1992, there was only one domestic frozen vegetable processor. Frozen foods are not yet extensive because consumer demand is restricted to the higher income market. However, demand is expected to broaden as middle class income rises with the economy.

Promotional Opportunities

Although average per capita income is \$2,500, this figure masks the greater promise that the country holds for U.S. market promotion. Roughly 80 percent of Venezuelans live in cities. Caracas, Maracaibo and Valencia each have over one million inhabitants. The Central Statistics Office estimates 4.6 million people earn between \$10,000 and \$29,000 annually. Market research revealed that 74 percent of purchased consumer goods in this income group was food. Of this 74 percent, 67 percent was processed and 33 percent fresh. Consequently, U.S. firms are advised to target this segment of the market.

Convenience foods are becoming more common in supermarkets and specialty stores as more women enter Venezuela's work force. However, refrigerator size in the typical Venezuelan apartment is not large, and this restricts the quantity and variety of frozen food items offered. Currently, frozen vegetables, potatoes and chicken primarily fill store freezers.

Distribution System

Supermarkets, of which there are about 212, compose the main part of the food retail sector. There are large supermarket chains that import directly, although most ready-to-eat foods are imported by brokers or wholesalers. Supermarket chains account for about 23 percent of retail food sales, and independent supermarkets about 59 percent. Most U.S.

fresh fruit enters the country through wholesalers.

Distribution also occurs through regular market channels to grocery stores, mini-markets and specialty food stores. An important outlet for refrigerated poultry products is the local bakeries, which have practically turned into small or medium-sized grocery stores. One large South American food company recently developed its own distribution channels for home delivery sales, mainly because of the poor functioning of cold facilities at supermarkets.

With tourism up, analysts expect an increased role for the hotel, restaurant and institutional (HRI) trade in food imports. In fact, most of the meat goes to the HRI trade. This trade is heavily concentrated in Caracas and in tourist areas such as Margarita Island, Puerto La Cruz and Porlamar.

In summary, Venezuela has been riding a wave of economic prosperity and has recently liberalized trade. As a result, U.S. agribusiness has escalated sales in this growing market. Venezuela is now the largest destination for U.S. agricultural exports in South America. Assuming continuing economic growth, albeit at a more moderate pace, and an absence of retrenchment of market liberalization measures, the future looks bright for further inroads of both U.S. bulk commodities and higher-value consumer foods.

Recent Development ... In July, the Venezuelan health authorities without prior notice stopped issuing sanitary and phytosanitary permits for a wide range of animal and plant products. The GOV's Agriculture Minister ordered the moratorium as a means of restricting imports, pending investigation of allegations of under-invoicing and other actions to circumvent Venezuela's import tariffs. The U.S. Agricultural Counselor expects this development to be temporary and normal trade to resume upon lifting of the prohibition.

For more information, contact Diane Dolinsky at (202) 720-6821

U.S. Agricultural Exports by Commodity Type to VENEZUELA

Calendar Years 1988 to 1992 and Year--to--Date Comparisons
(thousands of dollars)

Product	1988	1989	1990	1991	1992	January-May 1992	1993	% Chg
BULK COMMODITY TOTAL	335,722	263,051	203,787	116,913	197,571	60,022	122,022	103.3
Wheat	72,228	105,697	101,698	41,650	81,239	28,243	63,204	123.8
Coarse Grains	170,987	108,906	69,274	35,021	78,410	13,107	38,245	191.8
Rice	16,513 *	0	10	114	72	24	17	-29.2
Soybeans	36,948	21,759	17,055	25,808	30,130	16,040	15,096	-5.9
Cotton	11,726 *	783	0	550	762	48	3,073	6302.1
Tobacco	7	2	0	19	21	16	3	-81.3
Pulses	8,737	9,337	8,066	6,987	3,257	1,256	1,398	11.3
Peanuts	11	22	111	239	1,372	64	271	323.4
Other Bulk Commodities	18,565 *	16,546	7,573	6,525	2,309	1,224	715	-41.6
INTERMEDIATE TOTAL	334,378	174,502	118,600	143,763	169,247	68,134	86,546	27.0
Wheat Flour	0	98	56	107	351 *	43	45	4.7
Soybean Meal	229,659 *	82,042	71,799	88,067	104,046	44,343	54,867	23.7
Soybean Oil	2,168	16,015	1,514	0	17	0	0	0
Other Vegetable Oils	27,264	40,047	6,212	2,281	2,950	864	3,873	348.3
Feeds & Fodders (Excl. Pet Foods)	2,221	754	656	2,102	3,662 *	1,595	1,365	-14.4
Live Animals	14,368 *	8,023	3,601	5,199	6,186	2,657	1,192	-55.1
Hides & Skins	1,749	537	115	55	48	0	0	0
Animal Fats	21,317	10,156	20,388	21,675	24,705 *	8,427	14,876	76.5
Planting Seeds	14,253 *	3,191	2,621	3,712	2,928	830	1,510	81.9
Sugars, Sweeteners & Bever. Bases	220	930	1,782	6,579	4,451	1,276	1,790	40.3
Other Intermediate Products	21,158 *	12,710	9,856	13,986	19,905	8,099	7,028	-13.2
CONSUMER-ORIENTED TOTAL	12,666	9,043	29,081	55,753	72,247	17,255	24,467	41.8
Snack Foods (Excl. Nuts)	414	573	1,306	3,835	7,212 *	2,007	3,462	72.5
Breakfast Cereals & Pancake Mix	159	64	170	1,124	732	335	222	-33.7
Red Meats, Fresh/Chilled/Frozen	6	1,422	3,474	4,437	6,921	495	4,986	907.3
Red Meats, Prepared/Preserved	34	16	266	973	2,228	435	953	119.1
Poultry Meat	6	2	321	1,175	3,375	934	2,023	116.6
Dairy Products	1,042	693	974	1,753	4,472 *	1,097	2,946	168.6
Eggs & Products	615	52	136	7,995 *	6,511	1,236	752	-39.2
Fresh Fruit	76	221	12,520	17,839	15,975	3,388	2,680	-20.9
Fresh Vegetables	107	199	1,701	827	1,134	336	357	6.3
Processed Fruit & Vegetables	4,245	2,368	3,158	7,286	9,422	2,550	2,479	-2.8
Fruit & Vegetable Juices	4	12	29	154	613	149	186	24.8
Tree Nuts	1,574	1,170	1,832	4,352	5,697 *	1,825	968	-47.0
Wine and Beer	1,152	758	1,011	438	2,162 *	143	440	207.7
Nursery Products & Cut Flowers	187	61	233	352	567	160	287	79.4
Pet Foods	4	24	43	144	244	135	79	-41.5
Other Consumer - Oriented Products	3,040	1,407	1,909	3,069	4,981	2,030	1,646	-18.9
AGRICULTURAL TOTAL	682,766	446,596	351,468	316,429	439,065	145,411	233,035	60.3

Note: (*) Denotes highest export level since at least 1970.

Product Spotlight: Soft Drinks

World beverage consumers are quenching thirsts with growing amounts of U.S. drinks. In 1992, U.S. soft drink exports reached record levels for the fifth straight year. With rapid growth in world soft drink consumption expected to continue, record exports from the U.S. are forecast through the 1990s.

After several years of sluggish sales in the domestic market, the U.S. beverage industry is increasingly looking overseas and across the border for growth. Fueled by a growing demand for variety in foreign beverage markets, U.S. soft drink exports reached a record \$188 million in 1992, more than doubling sales since 1988. While most soft drink sales globally involve products that are manufactured and consumed in the same country, U.S. shippers are succeeding in the growing trade of finished soft drinks. Sales are up across a broad range of products, including national brands, "new age" beverages, and private labels which include new branded products designed for a particular export market. With the focus on foreign sales expected to grow, U.S. soft drink exports should continue rising, with foreign shipments expected to reach \$300 million by the late 1990s.

Benefiting from long experience in satisfying consumer tastes economically in the domestic market, the U.S. soft drink industry is finding it can compete in the booming \$1.5 billion world export market. The U.S. sur-

passed Japan in the late 1980s as the world's second largest soft drink exporter, and currently accounts for 13 percent of total trade, up from 5 percent in 1985. The top supplier is the European Community, accounting for one-fourth of total sales, down from almost one-third in 1986. EC sales have been buoyed recently by rising demand from emerging markets in Eastern Europe and the former Soviet Union, which purchased \$70 million in EC soft drinks last year (up from \$5 million in 1989).

Sales to Mexico Soar

The top U.S. soft drink export market--and the fastest growing--is Mexico, with a record \$46 million in sales last year, more than doubling sales the year before. U.S. exporters are discovering U.S. drinks have a perceived quality advantage among many Mexican consumers, and are ringing up rapid sales gains despite being priced up to twice as much as competing drinks manufactured in Mexico. An expanding Mexican middle class that now exceeds 20 million consumers is helping fuel the demand, with rising

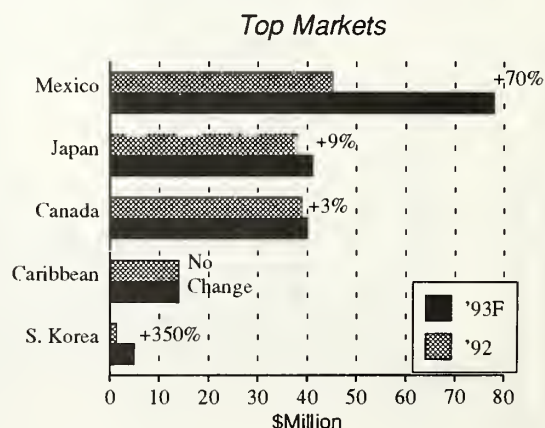
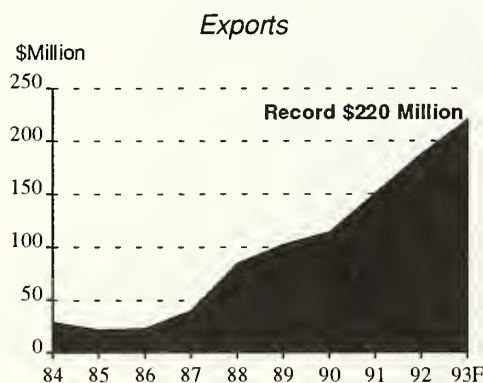
Note: For the purposes of this analysis, soft drink data include both carbonated and non-carbonated flavored water.

purchases of a variety of beverages including national brands such as Coca-Cola and brands created specifically for the Mexican market. New products with good growth potential include chocolate drinks; sales this year are expected to exceed \$10 million, up fourfold from 1992.

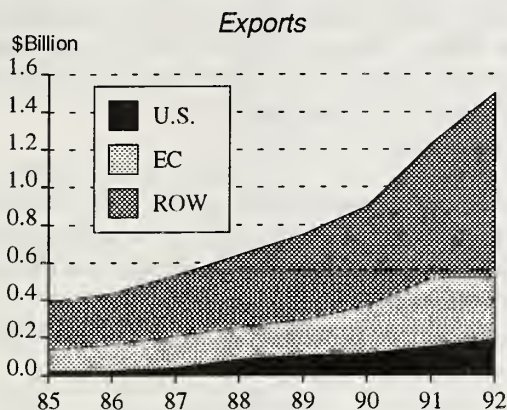
U.S. cola shippers are taking advantage of Mexico's high per capita cola consumption which is second only to the U.S. at 66 liters. One firm is successfully marketing a cola called Lariat, which features graphics and packaging designed to appeal to the Mexican consumer. Sales of Lariat are up threefold from 1992 and are projected to exceed 3 million cases next year. The shipper reports a growing interest in canned beverages, and with limited canning facilities in Mexico, Mexican retailers are increasingly relying on U.S. products to fill this demand.

While colas are the most popular soft drink in Mexico, the demand for new drinks is soaring. The demand for Yoo-Hoo, just introduced this year, is being fueled by a range of market-building activities, such as in-store sampling. The firm is positioning its

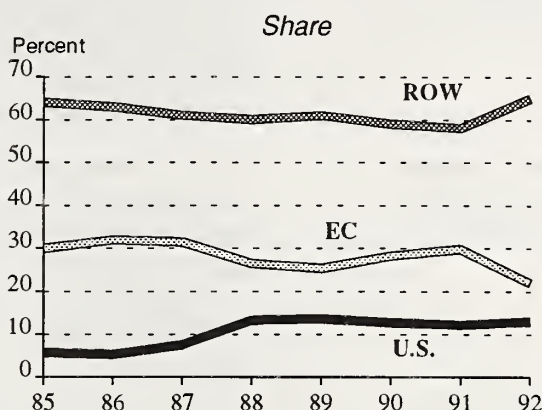
U.S. Soft Drink Exports Expected to Top \$200 Million in 1993



U.S. is Second Largest Exporter in World Soft Drink Market With 13-Percent Share



Note: Data exclude trade within the EC



main brand as a high-quality, nutritious drink, with promotions emphasizing it is 99% fat-free and contains vitamins. Sales of drinks marketed as healthful benefit from a growing awareness in Mexico of how diet affects health, particularly among the rising number of consumers who can regularly afford supermarket foods. Further boosting its health image, Yoo-Hoo is planning a number of supermarket display activities involving Mexican sports personalities. To diversify its sales base in Mexico, Yoo-Hoo recently signed an agreement with a major candy distributor to ship Yoo-Hoo to the thousands of *bodegas* throughout the country. In addition, the firm will soon introduce its Chocolate Soldier line, for distribution outside the major chains.

Japan Sales on the Rebound

After three straight years of flat sales at roughly \$40 million annually, U.S. soft drink shipments to Japan are up 10 percent during the first five months of 1993 and continued growth is expected. Sales of carbonated soft drinks, which account for more than half the total, are particularly strong, rising almost double from the same period last year. The U.S. is the largest supplier of imported soft drinks in Japan accounting for 53 percent of the

total last year, outpacing the EC which claimed a 24-percent import share.

In 1993, recession-induced demand for lower priced products at retail is boosting sales of new U.S. soft drink brands that cost up to 30 percent less than national brands. In response to the demand for lower retail prices, U.S. shippers are finding a growing number of end distributors in Japan that are willing to sell directly to supermarket chains and avoid the added costs incurred from shipping through the traditional multi-layered distribution system. The delivered prices of U.S. beverages are uniformly lower this year due to the lower dollar, which dropped 13 percent against the yen during the past six months.

One shipper from Washington is enjoying robust sales gains to Japan from a new brand that emphasizes a fun U.S. lifestyle. The brand, Malibu Sports Club, was developed specifically for Japan and offers both cola and lemon-lime flavors. The firm is building demand with point-of-sale promotions, including a contest that offers a free trip to Malibu for the winner.

"New Age" Products Getting Noticed

Following soft drink consumption trends domestically, U.S. soft drink

exports marketed as all-natural are experiencing rising sales, particularly in markets where aging populations are becoming more diet-conscious. New Mexico's Blue Sky Natural Beverage Company reports growing export sales of its all-natural drinks, particularly to the United Kingdom and Japan. Blue Sky offers a creative product line, with innovative flavors such as vanilla cream, which contain neither additives, artificial color nor caffeine. To further boost its healthful image and better target diet-conscious consumers, Blue Sky works with alternative all-natural retail food outlets. The firm reports participation in FAS trade shows has been helpful in sparking interest among buyers overseas.

With Coca-Cola and Pepsi-Co., among other major bottlers, continuing to pursue sales opportunities overseas through foreign manufacturing, the share of world soft drink consumption accounted for by imported finished products is expected to remain small. However, with steady growth in world consumption expected to continue, U.S. soft drink exporters willing to produce and package beverages that appeal to a specific market will continue to experience strong sales gains.

For more information, contact Mike Woolsey at (202) 690-0553.

Trade Policy Updates

EC Extends Corn Gluten Feed "Cease Fire"

On July 19, the General Affairs Council adopted the extension of the ceasefire until September 30. Reportedly, the EC Commission now believes that it has the support of high level French officials and is optimistic that the Blair House agreement will be finally implemented in September. However, France, Italy and Belgium continue to complain about certain aspects of the agreement, namely, the level of USDA involvement in monitoring exports and the slow progress on the study of microscopic analysis.

EC May Replace Moratorium On BST With Ban

The EC Commission is required to present to the Council this month its report on bovine somatotropin (BST), which is currently under a moratorium until the end of 1993. A compromise is reportedly being worked out among the Commissioners which would recognize that BST meets the three traditional scientific criteria (safety, quality and efficiency) but would ban BST on socioeconomic/fourth criterion grounds. As part of the compromise, the Commission will reportedly propose a ban on marketing, but not on manufacturing BST in the EC.

Agrarian Union Congress Criticizes Russian Government Policies

At the second congress of Russia's Agrarian Union, recently held in Moscow, Union leaders roundly criticized the Russian Federation government. A consensus emerged that Yeltsin and his government are taking a gamble on private farmers being able to feed Russia, and that it is failing. The present Yeltsin government was accused of adopting a policy of "achieving universal private farming..., leading the country to poverty and furthering the dependence on outside food supplies". The GOR was also accused of giving priority to commercial interests, while the peasant farmer is "being driven into a corner by prices, taxes, and credits". The Agrarian Union seeks to achieve unity and cohesion between the various remaining factions in agriculture, and stated that it hoped this congress would be a turning point in Russian farmers' future.

Nigeria Reconsiders Ban, Issues Import Licenses for Rice

Nigeria recently issued import licenses for rice totaling nearly 300,000 tons. According to Post, these licenses are exclusively for Thai, Vietnamese, and American rice. This represents a dramatic change in Nigeria's trade policy, because rice imports have been banned for nearly 10 years. It is estimated Nigeria's previously illegal imports amounted to 400,000 metric tons annually, mainly smuggled rice from neighboring Benin and Cameroon. The illegal importation of rice from neighboring countries restricted supplies, and prices for this rice were a lot higher than for the rice imported via legal channels. It is expected that the U.S. will face tremendous challenge from Thailand and other rice competing countries in the Nigerian market. Availability of credits will be a factor in determining market share in Nigeria, whose consumers have grown accustomed to lower quality parboiled rice.

Poland Introduces New Import Regulations

On July 5, Poland introduced new minimum tariffs on selected food imports and lower rates on certain bulk commodities such as soybeans and hides and skins. The temporarily suspended tariffs on grains and major feed ingredients following the 1992 summer drought were restored to MFN levels and the export bans on selected products were lifted. The 6 percent revenue raising border tax was converted to a 6 percent increase in all tariffs and a value added tax (amounting to 0 or 7 percent for most food products) replaced the turnover tax. Certain high-value products became subject to a 25 percent excise tax and for the first time. Tariffs include seasonal rates for fresh fruits and vegetables. Poland also introduced new labeling requirements on packaged and canned foods and established an import tax on some sugar containing products.

...Trade Policy Updates

Israel Blocks Access To French Fries; McDonald's Refuses to Buy Local Potatoes

The Israeli high court gave the Government of Israel until July 15, 1993 to reconsider its decision to ban potato imports. A representative of McDonald's indicated it will refuse to buy Israeli potatoes from the state monopoly, TAPUD, because of quality, quantity and price concerns. Israeli frozen french fries are more expensive than transported U.S. french fries. The Israeli farmers association continues to lobby all top agricultural and trade officials, alleging that lifting the potato ban would open the flood gates to ruinous competition from the United States and elsewhere.

Slovakia Blocks Import Surcharge

The government of Slovakia has proposed a 20% import surcharge, which has been vigorously opposed by both U.S. exporters and advisers to the Slovak Minister of Finance. The Minister previously had supported the surcharge, but now, privately, appears to oppose it. On record in favor of the import surcharge is the Office of Slovak President Kovac; opponents advocate instead a 10 percent devaluation of the Slovak crown. Foreign businesses looking to invest stand to be most hurt by such a surcharge, as will imports from the Czech Republic. It appears that the import surcharge, if applied across the board and to imports from all sources, could be justified under the balance of payments safeguard provisions of GATT Article XII.

U.S And Korea Reach Beef Agreement

The beef agreement reached recently in Seoul followed five rounds of negotiations over the past year. The agreement provides for greater market access for U.S. beef through increased minimum annual import quotas as well as an increased proportion of imports through the simultaneous buy/sell (SBS) system. The agreement guarantees improved direct commercial relations between foreign beef suppliers and Korean retailers and distributors importing under the SBS system. New retailers and distributors will be added to the SBS system over the term of the 1993-1995 agreement. U.S. beef exports to Korea totaled \$220 million in 1992, making Korea the third largest U.S. beef market.

Market Updates

Kazakhstan Bans Grain Exports

Kazakhstan's Government banned all grain exports until November 1, 3 months after new 1993/94 crop harvesting begins. The ban avoids having domestic supplies for milling depleted too quickly. Kazakh producers and traders can receive hard currency for exports but must settle for rubles if they sell grain to the State. Kazakhstan exported over 6 million tons of wheat, and 1 million tons of coarse grains to the former Soviet Union during 1992/93, and currently is forecast to repeat, or exceed, that level in 1993/94. Russia bought the largest share of 1992/93 grain, about 3.5 million tons. Kazakhstan is expected to produce a near-record 1993/94 crop.

Japan Economic Recession Affecting Cotton Imports

Japan's economic recession, now in its third year, is adversely affecting the country's textile sector and import demand for raw cotton. Japan's imports in marketing year 92/93 are expected to total only 2.1 million bales of which only about 1 million will be from the U.S. Japan's imports of lower cost cotton yarn, fabrics and apparel have grown and resulted in a build up of inventories. The forecast of raw cotton imports for MY 93/94 looks worse: total imports are expected to be only 2 million bales.

Taiwan Team Visits U.S. Stone Fruit/Pear Areas Prior To New Phyto Import Regs

A two-member delegation of plant health officials from Taiwan's Bureau of Commodity Inspection and Quarantine (BCIQ) is visiting California and Washington State this month, as part of Taiwan's review process to establish guidelines for importing fresh stone fruit and pears from countries with codling moth. The industry-sponsored tour, which includes APHIS and FAS representatives, involves orchards, packing houses, and research facilities. The objective is to demonstrate the United States can effectively address Taiwan's codling moth concerns through existing pest control and eradication programs. U.S. stone fruit and pear exports to Taiwan in 1992 reached \$31.4 million.

The visit initiates the second stage of Taiwan's efforts to establish new codling moth import guidelines. In December 1992, the same Taiwan inspectors toured the United States to gather information and data on apples. Discussions between APHIS/FAS and Taiwan's BCIQ on the apple guidelines are now reaching their final stage. Further exchanges on these guidelines, which would impose more stringent requirements than those currently in place, are expected in the coming weeks. U.S. shipments of apples to Taiwan were over \$81 million in 1992.

Poland Renews Discriminatory Grain Tariffs

On July 5, the Polish Government restored its tariff schedule for agricultural commodities which discriminates against non-EC durum wheat. Poland suspended this tariff last January in order to increase internal grain supplies during the drought-impacted 1992/93 marketing year. The tariff for the EC is ten percent lower than for non-EC countries. The United States has exported durum wheat to Poland in previous years, and was able to sell about 18,000 tons of durum to Poland during the tariff suspension period. By restoring the tariff, however, Poland will make U.S. durum (which already suffers a freight-cost disadvantage) more expensive, thus restricting U.S. export potential.

India May Export Durum Wheat

The Government of India (GOI) announced that it may export high-quality durum wheat this year. It would use the wheat export revenues to import lower-quality wheat. In recent years, India has been an infrequent exporter, averaging about 200,000 tons annually. Recent record wheat procurement pushed government stocks to nearly 20 million tons, providing further incentive to export. Likely destinations for India's wheat include Jordan, Iran, and North Korea.

...Market Updates

U.S.-EC Canned Fruit Agreement Renewed For 1993/94

As part of the U.S.-EC Canned Fruit Agreement, the EC accepted on June 28 a Commission proposal to reduce minimum grower prices and canned fruit processing aids for peaches and pears for the 1993/94 marketing year. Processing subsidies for peach canners were cut to \$6.00/100 kg. from \$7.27/100 kg. last year and minimum grower prices were lowered to \$19.79/100 kg. from \$23.05/100 kg. in MY 1992/93. The processing subsidy for pear processors were reduced 11.4 percent to \$14.23/100 kg., while the minimum grower price for pears declined 1.3 percent to \$28.03/100 kg. The United States agreed with the proposed minimum grower prices and processing subsidies as presented at a June 15 consultation with the EC Commission. In line with the Agreement, the net cost to EC processors of peaches and pears in 1993/94 at least equals the average of grower prices paid in other major producing countries.

China--The Largest Cash Customer For U.S. Wheat Considering Credit Options

Fundamental changes in the grain importing system in China have, for the first time, made the use of credit a possible option for the importation of wheat. The largest cash paying customer of U.S. wheat has indicated that internal discussions are now going on about the possibility of using credits for wheat imports. Just months ago, CEROILS would have been directed by the State Planning Agency to purchase a set amount of grain and would have received the necessary foreign exchange to do this. Now China's demand for wheat is to be consumer-driven. Consumer ration coupons for heavily subsidized wheat flour have been phased out and consumers in the cities now face market prices. The Grain Bureaus, which had been subsidized by the government to mill and sell flour from imported wheat received through CEROILS, must now come up with the required foreign exchange themselves to pay CEROILS. CEROILS, the sole grain importing agency in China reports that they have not been in the market for wheat recently because they are not receiving import requests from the grain millers, the Grain Bureaus. The 1992/93 wheat import forecast for China is 7 million tons, down to less than half the previous year, due in large part to a record harvest.

Russian Livestock Sector Continues To Contract

Quarterly figures recently published by the Russian State Statistics Committee indicate that Russia's livestock sector continued to decline in the first quarter of 1993. Total meat production fell to 1.6 million tons (live weight) in the first quarter of 1993, 13 percent lower than in the first quarter of 1992. This was mirrored by drops in livestock inventories. At the end of the first quarter of 1993, cattle numbers were down 9 percent, pigs were down 15 percent, sheep and goats were down 16 percent, and poultry numbers were down 8 percent as compared to the same time in 1992. Livestock and meat production have been hit hard by Russia's restructuring to a market economy. Although Russian livestock production has long suffered from shortages of protein and micronutrients for their feed, the gradual introduction of free prices and reduction of production subsidies has made feed concentrate even more inaccessible to producers. At the same time, drops in personal income and the introduction of higher meat prices through market reforms have sharply reduced what were relatively high levels of Russian meat consumption. The contraction in livestock numbers is expected to continue throughout the year due to sharp declines recorded in breeding stock. This means that meat production will likely drop further in the short run, with little, if any, likelihood of an upturn in the foreseeable future.

...Market Updates

EC Imposes Countervailing Duty On U.S. Apples

On June 19, a countervailing duty of 3.96 ECUs per 100 kilograms (approximately 89 U.S. cents per 42 pound carton) was imposed on U.S. apples entering the European Community (EC). The duty was invoked due to the sale of 30 tons of U.S. apples below the current reference price of 57.08 ECU/100 kilograms (approximately \$15 per carton) on June 15 and 16, and remained in effect through June 29. Prior to that date, U.S. apples entering the Community were not subject to the levy because their price exceeded the reference level. On April 7, the EC introduced a countervailing duty on imports of apples from Chile, which began at approximately 2 ECUs per 100 kilograms and rose to approximately 17 ECUs by May 6. At the June 16 GATT Council meeting, Chile protested that countervailing charges are discriminatory and that the system lacks transparency. The Chileans are supported by a number of apple-producing countries that would like to see the EC reference price system reformed.

New U.S.-India Almond Accord Spurs Export Growth

U.S. almond exports to India through the first 9 months of the current marketing year (July-June) totaled \$16 million, almost triple the previous year's level, making that country the seventh largest foreign market for U.S. almonds. In May 1992, the United States and India agreed to modifications to a 1988 bilateral Memorandum of Understanding which had capped India's global almond imports via restricted licensing to a maximum of \$20 million annually. Under the modified agreement, India eliminated the import licensing restriction and revised applicable tariffs upward by a mutually agreed amount.

South African Maize Board Seek Import Tariffs On Corn

The South African Maize Board requested the Government of South Africa to institute an import tariff for corn, as a result of a recent judicial ruling allowing private importers to bypass the Maize Board in importing corn. End users of corn had complained about the high cost of internally transporting domestically-produced corn to Capetown, and petitioned the courts to allow them to bypass the Maize Board and import less expensive corn independently.

South Africa in recent years has ceased to be a major corn exporter, and following drought, imported over 2 million tons of corn in both the 1991/92 and 1992/93 (October/September) marketing years. The 1993/94 corn crop, however, has recovered sufficiently from drought conditions to possibly allow for exports.

Venezuela Bans Phyto Permits for Wide Range of Products

Venezuelan health authorities without prior notice recently stopped issuing sanitary and phytosanitary permits for a wide range of animal and plant products, including horticultural products. The U.S. Agricultural Counselor in Caracas reports that the GOV's Agriculture Minister ordered the moratorium on horticultural product permits as a means of restricting imports, following allegations of under-invoicing and other actions to circumvent Venezuela's import tariffs. According to the Agricultural Counselor, there are indications that the GOV may move to reverse this action soon.

Failure to resume issuing import permits shortly would be particularly disruptive to shipments of U.S. tree fruit and table grapes, which are just now coming into season. Venezuela has been a rapidly expanding market for U.S. horticultural products in recent years, with total exports increasing from \$9.4 million in 1988 to nearly \$42 million in 1992. U.S. exports of fresh fruits and vegetables to Venezuela in 1992 were valued at \$17 million, with apples, pears, and grapes accounting for 51, 16, and 16 percent of the total, respectively.

...Market Updates

Butter To Russia Exempted From Minimum Export Prices

Effective June 22, 1993, through the end of the calendar year, butter shipments to the former Soviet Union (FSU), normally subject to internationally-agreed minimum prices under the GATT International Dairy Arrangement (IDA), can be sold at prices below the IDA minimum. The GATT Committee of the Protocol Regarding Milk Fat decided to accord a general derogation from the IDA minimum export price of US\$1350 per ton for butter (US\$1625 for butteroil) shipped to the FSU. The decision is attributed to the significant price uncertainty and the availability of supplies of butter on concessional terms to the FSU. IDA-member countries may each ship up to 50,000 tons of butter-equivalent for consumption exclusively in the FSU. Sales contracts are to be unconditionally concluded before December 31, 1993, and deliveries are to be completed by March 31, 1994. The United States withdrew from the IDA in 1985, in large part due to reports of persistent undercutting of announced minimum prices by other IDA member countries.

U.S. Halal Beef To Malaysia Pending Approval

The Malaysian Ministry of Agriculture is expected to approve 5 U.S. packing plants for halal beef exports to Malaysia in the near future, according to Malaysian officials who recently conducted a meat inspection tour of the United States. In addition, two more U.S. Islamic centers that issue halal documentation are pending Malaysia's certification. On a related issue, the Food Safety and Inspection Service (FSIS) and Malaysian officials are formulating a protocol that would enable U.S. bovine lung exports to Malaysia for human consumption. In 1992, the United States exported to Malaysia \$1.9 million of beef and \$250,000 of beef variety meats.

Canada Imposes Tariff Rate Quota On Boneless Beef

On June 21, 1993, the Government of Canada instituted a tariff rate quota (TRQ) on boneless beef from countries other than the United States. The action follows a recent report of the Canadian International Trade Tribunal (CITT) that found boneless beef imports from non-U.S. suppliers threaten the Canadian beef industry. A 25-percent duty will be imposed on boneless beef imports that exceed 48,014 tons during the period of May 1, 1993, to December 31, 1993. For imports that are not in excess of 48,014 tons, the "most favored nation" (MFN) duty of 4.41 Canadian cents per kilogram will apply. The CITT recommended the utilization of TRQ's during the calendar years of 1994 and 1995, allowing for 72,021 tons at the MFN rate. However, consultations will be held on the 1994 and 1995 regimes with an additional announcement expected in October. The measure targets boneless beef imports from Australia and New Zealand. In 1992, Canada imported nearly 130,000 tons of boneless beef, approximately 55 percent (70,000 tons) from Australia and New Zealand, according to Agriculture Canada.

Australia Displacing Chinese Corn Exports To Malaysia

In an aggressive effort to unload the remainder of the weather-damaged wheat from the 1992 harvest, Australia has reportedly offered feed-quality wheat to Malaysia at prices \$2 below delivered Chinese corn. A likely destination for displaced Chinese corn exports would be South Korea and Japan, major markets for U.S. corn exports. Malaysia imports about 2 million tons of feed grains annually, most of which is Chinese corn. Malaysia began substituting feed-quality wheat for corn in 1990 and since then has, on average, annually fed about 200,000 tons of imported wheat.

U.S. Agricultural Exports by Commodity Type

Calendar Years 1988 to 1992 and Year-to-Date Comparisons
(thousands of dollars)

Product	1988	1989	1990	1991	1992	January-May 1992	1993	% Chg
BULK COMMODITY TOTAL	20,340,369	22,813,257	20,232,083	18,348,386	19,687,248	8,691,680	8,580,231	-1.3
Wheat	4,890,724	5,886,505	3,839,037	3,292,138	4,449,324	1,853,906	2,124,938	14.6
Coarse Grains	5,891,340	7,738,137	7,036,717	5,722,597	5,736,599	2,400,834	2,270,454	-5.4
Rice	803,764	971,123	801,527	753,557	726,072	298,826	314,011	5.1
Soybeans	4,890,661	3,942,468	3,549,508	3,956,443	4,380,402	1,904,134	2,194,970	15.3
Cotton	1,992,007	2,268,501	2,798,495	2,491,999	2,010,338	1,183,870	771,630	-34.8
Tobacco	1,252,772	1,301,173	1,441,116	1,427,631	1,650,559	770,125	620,516	-19.4
Pulses	240,667	298,404	353,111	268,414	191,656	78,756	82,734	5.1
Peanuts	155,518	192,670	203,373	180,304	240,308	86,646	82,963	-4.3
Other Bulk Commodities	222,916	214,275	209,199	255,304	301,989	114,582	118,016	3.0
INTERMEDIATE TOTAL	9,012,700	8,645,875	8,573,907	8,789,224	9,231,134	3,884,853	3,898,186	0.3
Wheat Flour	192,737	257,937	182,956	184,256	184,317	79,233	110,816	39.9
Soybean Meal	1,579,032	1,212,295	1,005,103	1,155,307	1,294,722	568,916	569,401	0.1
Soybean Oil	476,970	358,723	312,930	222,126	376,202	143,997	151,300	5.1
Other Vegetable Oils	428,943	423,994	394,790	418,144	502,732	212,401	228,893	7.8
Feeds & Fodders (Excl Pet Foods)	1,629,983	1,596,995	1,572,369	1,605,732	1,722,327	741,697	760,696	2.6
Live Animals	606,201	490,501	513,783	686,563	607,891	242,772	169,602	-30.1
Hides & Skins	1,826,493	1,696,164	1,729,731	1,357,570	1,326,054	570,789	541,772	-5.1
Animal Fats	559,145	510,153	428,729	426,824	515,214	198,665	205,862	3.6
Planting Seeds	423,528	510,214	588,723	671,655	675,011	294,823	309,908	5.1
Sugars, Sweeteners, & Beverage Bases	289,637	409,198	572,052	634,101	573,921	225,349	214,656	-4.7
Other Intermediate Products	1,000,030	1,179,702	1,272,743	1,426,946	1,452,744	606,212	635,281	4.8
CONSUMER - ORIENTED TOTAL	7,741,635	8,379,789	10,465,615	11,967,920	13,895,994	5,507,205	5,830,938	5.9
Snack Foods (Excl. Nuts)	282,234	364,429	530,125	633,040	829,679	305,167	380,003	24.5
Breakfast Cereals & Pancake Mix	59,069	91,881	157,882	216,802	219,762	83,405	104,587	25.4
Red Meats, Fresh/Chilled/Frozen	1,852,839	2,213,602	2,394,495	2,660,267	3,112,361	1,243,012	1,210,841	-2.6
Red Meats, Prepared/Preserved	118,679	100,638	135,998	165,101	181,562	68,375	76,338	11.6
Poultry Meat	458,117	509,426	672,888	817,913	928,464	348,681	391,062	12.2
Dairy Products	578,281	430,741	328,053	462,956	793,754	279,601	339,419	21.4
Eggs & Products	117,193	90,685	101,979	143,367	139,234	57,735	54,635	-5.4
Fresh Fruit	1,093,196	1,134,657	1,486,489	1,561,053	1,683,344	704,212	641,788	-8.9
Fresh Vegetables	319,584	356,015	728,648	832,935	899,624	431,207	477,986	10.8
Processed Fruit & Vegetables	855,922	1,003,616	1,246,753	1,394,490	1,558,121	611,123	641,735	5.0
Fruit & Vegetable Juices	271,030	291,248	375,497	385,414	461,017	202,899	202,800	-0.0
Tree Nuts	751,201	683,332	801,120	867,704	928,531	318,858	316,706	-0.7
Wine and Beer	151,763	206,095	266,202	315,756	369,181	147,341	147,090	-0.2
Nursery Products & Cut Flowers	83,797	104,887	186,741	201,442	201,321	105,008	107,728	2.6
Pet Foods	133,563	175,539	244,038	329,772	399,630	152,219	193,288	27.0
Other Consumer - Oriented Products	615,166	622,997	808,706	979,907	1,190,410	448,363	544,931	21.5
AGRICULTURAL TOTAL	37,094,704	39,838,921	39,271,605	39,105,530	42,814,376	18,083,738	18,309,355	1.2

Note: (*) Highest export level since at least 1970.

U.S. Agricultural Exports by Major Commodity Group

Monthly and Annual Performance Indicators

Export Values	May		Change	October—May		Change	Fiscal Year		Change
	1992	1993		1991/92	1992/93		1992	1993(f)	
	—\$Billion—			—\$Billion—			—\$Billion—		
Grains and Feeds 1/	1.001	1.123	12%	9.607	10.227	6%	14.095	14.2	1%
Wheat & Flour	0.252	0.398	58%	3.077	3.532	15%	4.482	4.8	7%
Rice	0.079	0.062	-22%	0.536	0.519	-3%	0.758	0.7	-8%
Feed Grains 2/	0.398	0.381	-4%	3.829	3.777	-1%	5.659	5.3	-6%
Corn	0.310	0.324	4%	2.967	3.092	4%	4.593	4.5	-2%
Feeds & Fodders	0.179	0.178	-1%	1.400	1.504	7%	2.077	2.2	6%
Oilseeds and Products	0.404	0.467	16%	5.398	5.752	7%	7.338	7.5	2%
Soybeans	0.176	0.220	25%	3.332	3.692	11%	4.311	4.5	4%
Soybean Cakes & Meals	0.098	0.102	4%	0.952	0.914	-4%	1.334	1.2	-10%
Soybean Oil	0.017	0.035	103%	0.215	0.242	13%	0.356	0.4	12%
Other Vegetable Oils	0.050	0.041	-18%	0.315	0.344	9%	0.491	NA	NA
Livestock Products	0.495	0.508	2%	3.951	3.915	-1%	5.973	6.0	0%
Red Meats	0.249	0.278	12%	1.891	1.981	5%	2.935	3.0	2%
Hides & Skins	0.109	0.114	5%	0.866	0.846	-2%	1.317	1.3	-1%
Poultry Products	0.094	0.115	22%	0.799	0.854	7%	1.195	1.3	9%
Poultry Meat	0.070	0.089	27%	0.591	0.639	8%	0.887	NA	NA
Dairy Products	0.058	0.070	21%	0.458	0.595	30%	0.733	0.9	23%
Horticultural Products	0.613	0.678	11%	4.621	4.776	3%	6.844	7.0	2%
Unmanufactured Tobacco	0.150	0.117	-22%	1.145	1.078	-6%	1.568	1.6	2%
Cotton and Linters	0.171	0.126	-26%	1.750	1.153	-34%	2.195	1.7	-23%
Planting Seeds	0.027	0.030	13%	0.514	0.536	4%	0.667	0.7	5%
Sugar & Tropical Products	0.133	0.120	-9%	1.148	1.228	7%	1.706	1.7	-0%
Forest Products 4/	0.571	0.689	21%	4.411	4.959	12%	6.761	NA	NA
Total Agriculture	3.145	3.353	7%	29.392	30.116	2%	42.314	42.5	0%

Export Volumes	—MMT—		Change	—MMT—		Change	—MMT—		Change
Grains and Feeds 1/	6.619	8.095	22%	69.287	74.977	8%	NA	NA	NA
Wheat	1.627	2.845	75%	24.476	25.342	4%	34.289	35.5	4%
Wheat Flour	0.090	0.104	16%	0.540	0.802	48%	0.808	1.0	24%
Rice	0.237	0.236	-0%	1.597	1.726	8%	2.281	2.4	5%
Feed Grains 2/	3.410	3.651	7%	33.435	37.347	12%	50.195	53.3	6%
Corn	2.659	3.098	17%	25.780	30.591	19%	40.597	44.5	10%
Feeds & Fodders	1.092	1.061	-3%	7.879	8.203	4%	11.711	12.3	5%
Oilseeds and Products	1.499	1.804	20%	21.612	23.642	9%	28.881	29.8	3%
Soybeans	0.770	0.945	23%	14.917	16.678	12%	19.247	20.3	5%
Soybean Cakes & Meals	0.468	0.530	13%	4.484	4.552	2%	6.301	6.0	-5%
Soybean Oil	0.031	0.070	124%	0.457	0.485	6%	0.747	0.7	-6%
Other Vegetable Oils	0.082	0.069	-16%	0.488	0.583	19%	0.782	NA	NA
Livestock Products 3/	0.244	0.223	-8%	1.813	1.900	5%	2.770	NA	NA
Red Meats	0.071	0.080	13%	0.570	0.588	3%	0.870	0.9	3%
Poultry Products 3/	0.064	0.093	45%	0.539	0.649	20%	0.821	NA	NA
Poultry Meat	0.061	0.090	47%	0.516	0.624	21%	0.787	0.9	14%
Dairy Products 3/	0.031	0.036	18%	0.257	0.324	26%	0.399	NA	NA
Horticultural Products 3/	0.552	0.559	1%	4.031	4.036	0%	5.951	6.1	3%
Unmanufactured Tobacco	0.023	0.017	-26%	0.181	0.177	-2%	0.246	NA	NA
Cotton & Linters	0.128	0.094	-26%	1.192	0.870	-27%	1.527	1.4	-8%
Planting Seeds	0.050	0.073	46%	0.538	0.473	-12%	0.705	NA	NA
Sugar & Tropical Products 3/	0.076	0.066	-14%	0.735	0.601	-18%	1.102	NA	NA
Total Agriculture 3/	9.29	11.06	19%	100.19	107.65	7%	143.64	150.0	4%

1/ Includes pulses, corn gluten feed, and meal.

2/ Includes corn, oats, barley, rye, and sorghum.

3/ Includes only those items measured in metric tons.

4/ Wood products are not included in agricultural product value totals.

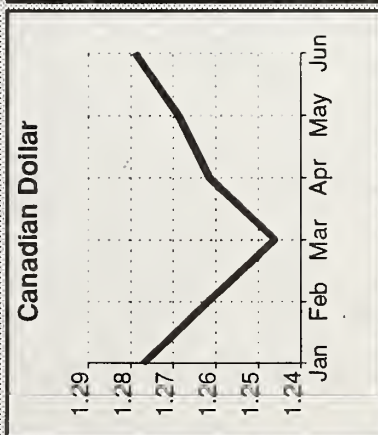
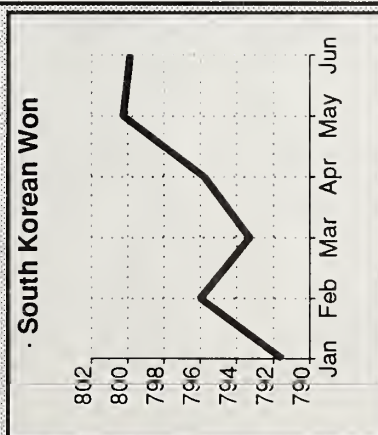
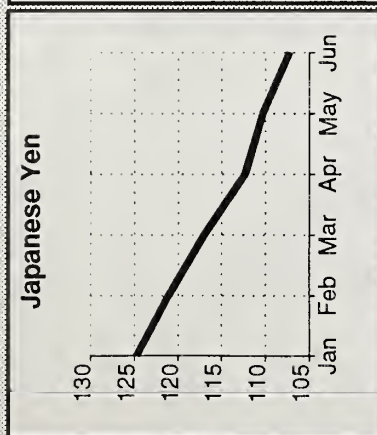
Note: FY 1993 forecasts (f) are based on USDA's "Outlook for Agricultural Exports," published on May 27, 1993.

U.S. Agricultural Export Value by Region
Monthly and Annual Performance Indicators

	May			October–May			Fiscal Year		
	1992	1993	Change	1991/92	1992/93	Change	1992	1993(f)	Change
	–\$Billion–			–\$Billion–			–\$Billion–		
Western Europe	0.485	0.455	–6%	5.896	5.895	–0%	7.726	8.1	5%
European Community	0.446	0.408	–8%	5.513	5.566	1%	7.183	7.6	6%
Other Western Europe	0.039	0.047	19%	0.383	0.329	–14%	0.543	0.5	–8%
Eastern Europe	0.011	0.040	265%	0.133	0.366	175%	0.221	0.5	126%
Former Soviet Union	0.139	0.222	59%	2.015	1.120	–44%	2.640	1.9	–28%
Asia	1.231	1.234	0%	11.106	10.871	–2%	15.989	15.5	–3%
Japan	0.680	0.715	5%	5.704	5.654	–1%	8.364	8.1	–3%
China	0.059	0.040	–32%	0.588	0.254	–57%	0.690	0.4	–42%
Other East Asia	0.375	0.369	–2%	3.433	3.372	–2%	4.929	4.9	–1%
Taiwan	0.168	0.135	–20%	1.383	1.365	–1%	1.913	1.9	–1%
South Korea	0.140	0.159	14%	1.489	1.399	–6%	2.200	2.1	–5%
Hong Kong	0.067	0.075	12%	0.560	0.597	7%	0.816	0.9	10%
Other Asia	0.117	0.111	–6%	1.380	1.591	15%	2.005	2.1	5%
Pakistan	0.001	0.001	72%	0.154	0.171	11%	0.226	0.2	–12%
Philippines	0.031	0.030	–6%	0.281	0.375	34%	0.442	0.5	13%
Middle East	0.134	0.117	–13%	1.119	1.321	18%	1.717	1.9	11%
Israel	0.024	0.019	–19%	0.236	0.251	7%	0.342	0.3	–12%
Saudi Arabia	0.025	0.024	–4%	0.347	0.317	–9%	0.506	0.4	–21%
Africa	0.136	0.184	35%	1.260	1.926	53%	2.201	2.5	14%
North Africa	0.074	0.126	71%	0.863	1.147	33%	1.312	1.6	22%
Egypt	0.024	0.048	101%	0.476	0.518	9%	0.709	0.7	–1%
Algeria	0.042	0.041	–3%	0.267	0.310	16%	0.382	0.5	31%
Sub–Saharan Africa	0.062	0.058	–7%	0.397	0.779	96%	0.889	0.9	1%
Latin America	0.538	0.532	–1%	4.268	4.595	8%	6.384	6.7	5%
Mexico	0.342	0.309	–10%	2.474	2.449	–1%	3.653	4.0	9%
Other Latin America	0.195	0.224	14%	1.794	2.146	20%	2.731	2.7	–1%
Brazil	0.005	0.011	149%	0.120	0.169	40%	0.143	0.2	40%
Venezuela	0.034	0.034	0%	0.232	0.365	58%	0.393	0.4	2%
Canada	0.425	0.500	18%	3.159	3.458	9%	4.804	5.0	4%
Oceania	0.033	0.039	17%	0.293	0.289	–1%	0.424	0.4	–6%
World Total	3.145	3.354	7%	29.392	30.116	2%	42.314	42.5	0%

Note: FY 1993 forecasts (f) are based on USDA's "Outlook for U.S. Agricultural Exports," published on May 27, 1993.

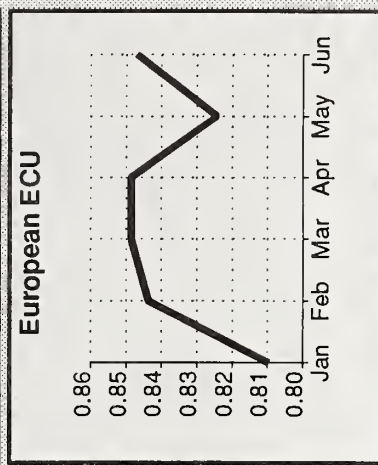
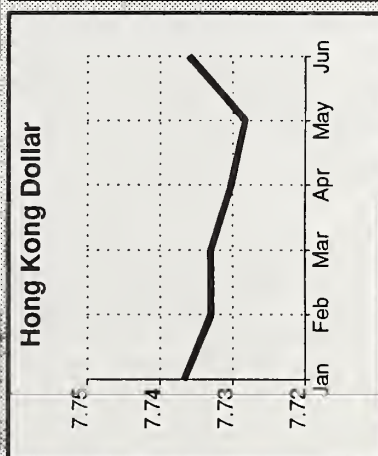
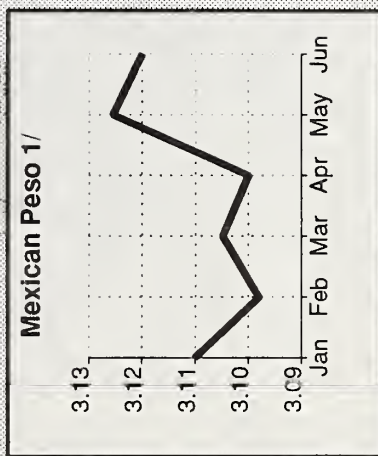
Exchange Rate Movements Of Major World Currencies Vis-a-Vis U.S. Dollar -- Daily Spot Quotations & Monthly Averages



Currencies	Current Rate 7/13/93	Month Ago 6/13/93	Year Ago 7/92	% Change Year Ago 7/92
Argentine Peso	.99	.99	.99	0.00
Australian Dollar	1.4771	1.4211	1.3399	10.24
Brazilian Cruzeiro	58104.03	34508.10	3581.01	1522.56
Canadian Dollar	1.2810	1.2722	1.1927	7.40
Hong Kong Dollar	7.7555	7.7303	7.7305	0.32
Japanese Yen	108.13	111.87	124.85	-13.39
Mexican Peso 1/	3.13	3.14	3.12	0.32
Taiwan Dollar	26.29	25.69	24.44	-7.57
South Korean Won	806.10	799.40	787.10	2.41
European ECU	.88028	.82843	.72345	21.68
-British Pound	.6680	.6568	.5184	28.86
-French Franc	5.8665	5.4500	4.9845	17.69
-West German Mark	1.7185	1.6155	1.4757	16.45

Expressed in New Pesos. The Mexican Peso was converted on January 1, 1993 at a rate of 1,000 to 1.

NOTE: Exchange rates are daily spot quotes as of 3:00 PM Eastern Time, July 13, 1993.
Source: TEID/FAS Exchange Rate Database and Wall Street Journal.



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